

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**400 P Street, Room 1120**  
**P.O. Box 942702**  
**Sacramento, California 94229-2702**

March 8, 2000

**NOTICE OF MODIFICATIONS TO  
TEXT OF PROPOSED REGULATIONS**

Pursuant to the requirements of Government Code section 11346.8(c), and section 44 of Title 1 of the California Code of Regulations, the Board of Administration (Board) of the California Public Employees' Retirement System (CalPERS) is providing notice of changes made to proposed regulation section 575.2 which was the subject of a regulatory hearing on February 15, 2000.

The Board will accept written comments regarding the proposed changes between March 9, 2000 and March 23, 2000. All written comments must be received by the Regulations Coordinator no later than 5:00 p.m. on March 23, 2000 at the following address:

Judy Daggao, Regulations Coordinator  
California Public Employees' Retirement System  
400 P Street, Room 1120  
P.O. Box 942702  
Sacramento, California 94229-2702

All written comments received by March 23, 2000, which pertain to the indicated changes, will be reviewed and responded to by CalPERS staff as part of the compilation of the rulemaking file. Please limit your comments to the modifications to the text.

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**UPDATED INFORMATIVE DIGEST**

The Board of Administration (Board) of the California Public Employees' Retirement System (CalPERS) has revised proposed regulation section 575.2 by deleting language requiring monthly installment payments by CalPERS members purchasing past Second Tier Service under Government Code section 21073.1 to be at least two percent of the member's monthly salary, or the equivalent. There have been no other changes in the laws related to this proposed action or to the effect of the proposed regulation from the laws and effects described in the Notice of Proposed Regulatory Action.

## TITLE 2. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

### Text of Modified Regulation

CalPERS has illustrated changes to the original text in the following manner: regulation language originally proposed is underlined; deletions from the language originally proposed are shown in strikeout; and additions to the language originally proposed are double-underlined.

#### § 575.2. Deposit of Contributions Pursuant to Government Code Section 21073.1.

Any deposit of contributions for service credit elected pursuant to Government Code section 21073.1, to be made in installments, must be made by payroll deduction upon such installment plan as may be elected by the member, subject to the following conditions:

- (a) Installments must be uniform for each payroll period;
- (b) The ~~monthly~~ installments may not be less than \$15.00 per month ~~or 2 percent of the member's salary~~ (or the semi-monthly, bi-weekly or quadri-weekly equivalent) ~~subject to normal retirement contributions, whichever is greater; and~~
- (c) The number of installments may not exceed 180 monthly (or the semi-monthly, bi-weekly or quadri-weekly equivalent) payroll periods.

An installment plan adopted by a member may be modified to extend the period of payment upon the Board's finding that the existing plan is effecting a hardship for the member provided, however, that the plan as extended does not result in a total number of deductions, including the number already paid, exceeding the maximum permitted under this section and otherwise complies with this section.

NOTE: Authority cited: Sections 20120, 20121 and 21073.1, Government Code. Reference: Section 21073.1, Government Code.

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**NOTICE OF ADDITION OF DOCUMENTS  
AND INFORMATION TO RULEMAKING FILE**

Pursuant to the requirements of Government Code sections 11346.8(d) and 11346.9(a)(1), and section 45 of Title 1 of the California Code of Regulations, the Board of Administration (Board) of the California Public Employees' Retirement System (CalPERS) is providing notice that documents and other information which the agency has relied upon in adopting proposed regulation section 575.2 have been added to the rulemaking file and are available for public inspection and comment.

The documents and information added to the rulemaking file are as follows:

1. Written comment (letter), Association of California State Attorneys and Administrative Law Judges (ACSA), dated January 27, 2000.
2. Benefits and Program Administration Committee Agenda Item 6, November 16, 1999, Subject: Service Credit Purchases Extended Payment Schedule.
3. Benefits and Program Administration Committee Agenda Item 4, February 15, 2000, Subject: Public Hearing and Committee Recommendation: Proposed SB 400 Tier II Service Credit Purchase Regulation.
4. Benefits and Program Administration Committee Meeting Summary, February 15, 2000.

These documents are available for public inspection at CalPERS headquarters located at 400 P Street, Sacramento, California from March 9, 2000 through March 23, 2000 between the hours of 9:00 a.m. and 5:00 p.m. Written comments regarding these documents and other information must be received by the Regulations Coordinator no later than 5:00 p.m. on March 23, 2000 at the following address:

Judy Daggao, Regulations Coordinator  
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All written comments received by March 23, 2000, which pertain to the above-listed documents and other information, will be reviewed and responded to by CalPERS staff as part of the compilation of the rulemaking file.